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FM AMCONSUL OSAKA KOBE
TO RUEHC/SECSTATE WASHDC 0198
INFO RUEHBJ/AMEMBASSY BEIJING 0385
RUEHUL/AMEMBASSY SEOUL 1073
RUEHKO/AMEMBASSY TOKYO 7594
RUEHFK/AMCONSUL FUKUOKA 0110
RUEHGZ/AMCONSUL GUANGZHOU 0094
RUEHNH/AMCONSUL NAHA 0129
RUEHKSO/AMCONSUL SAPPORO 0122
RUESLE/AMCONSUL SHANGHAI 0002
RUEHSH/AMCONSUL SHENYANG 0036

C O N F I D E N T I A L OSAKA KOBE 000238

SIPDIS

C O R R E C T E D C O P Y - CLASSIFIED BY LINE

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TOKYO PLEASE PASS TO NAGOYA

E.O. 12958: DECL: 04/26/2016

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SUBJECT: CHOSEN SOREN'S 5-YEAR PLAN: FROM BAD TO WORSE

Classified by Consul General Danny Russel for reasons 1.4
B and D.

¶1. (C) SUMMARY: The surprise raid in March by Japanese National Police on the Osaka office of the North Korean Association Chosen Soren stunned its members. The raid and its aftermath highlights the gradual decline in ideological, financial and operational relevance of the organization in the Kansai. Because North Korean permanent residents in Osaka see little upside and much downside to active membership, foreign currency remittances to the DPRK have fallen by half since 2001. Observers point to the 2001 public admission by Kim Jong Il that DPRK agents had indeed abducted Japanese citizens as a catalyst for the decline in Osaka.
END SUMMARY.

¶2. (C) On the ideological front, there has been a clear generational shift as younger North Korean residents are more fully assimilated into Japanese society and are uninterested or repelled by Kim Jong-Il's regime. In addition, many became disillusioned with the DPRK particularly as the kidnapping issue has taken center stage. Materially, Korean permanent residents see little personal benefit in belonging to an organization that has little direct relevance to their lives, and which is coming under increasingly close scrutiny by a host of Japanese authorities. Any tangible benefits they accrued in the past by belonging to Chosen Soren have all but disappeared; the Japanese National Tax Agency (NTA) has begun to target all its members. Many Korean permanent residents fear any additional hardening of the DPRK's foreign policy positions vis-a-vis Japan will lead to more punitive measures against them.

¶3. (C) Chosen Soren's Kansai office has weakened financially; remittances to the DPRK have fallen to less than half of that in 2001. Chogin, the DPRK-affiliated credit cooperative, has been emasculated as a source of foreign currency funds for the DPRK. Financial flows from Kansai to the DPRK now generally take the form of direct contributions to Chosen Soren headquarters in Tokyo, or hand-carrying of cash into the DPRK by visitors. The NTA has aggressively targeted businessmen involved in Japan-DPRK trade, and is expanding its scope to include small-scale businessmen. Chosen Soren's staff salaries in Osaka have been reduced to 150,000 yen per month (USD 1,200 at 115/1), paid sporadically. Teachers at the North Korean school receive

only 100,000 yen per month(USD 850 at 115/1). Teachers and staff have been reduced to selling crabs imported from the DPRK to supplement their meager incomes.

14. (C) Operationally, Chosen Soren's Osaka office has suffered the effects of decreasing ideological relevance, decreased funding, and increased attention by local and national law enforcement authorities. Chosen Soren headquarters in Tokyo no longer has direct control over branch offices, which now are forced to operate more or less autonomously. The recent March raid on Chosen Soren's Osaka office, which took place in Osaka but was conducted noticeably by the National Police Agency, surfaced little or no new information on the abduction issue, but served to paralyze the organization's operations, in the view of law enforcement officials with direct knowledge of the operation.

15. (C) Comment: Capping the gradual decline in Chosen Soren's finances and its relevance to the 30,000 North Korean permanent residents living in Kansai and its environs, the March raid on its Osaka office shows just how far it has fallen in the last five years. Suffering from increased pressure by law enforcement and tax officials, dwindling finances, and now a siege mentality among its staff, it appears unlikely that Chosen Soren's Osaka office will recover.

RUSSEL